

CONFIDENTIAL
Security Information

IAC-D-73
9 September 1953

INTELLIGENCE ADVISORY COMMITTEE

PROPOSAL TO STRENGTHEN CERTAIN INTELLIGENCE
INFORMATION COLLECTING ACTIVITIES

1. The State Department, through the letter from Mr. Armstrong to the Acting Director of Central Intelligence (attached at Tab A), sets forth a framework in which the Director of Central Intelligence could provide financial support for collection activities beyond a stated minimum which the Department can provide under its budget.
2. It is believed that the action in this case is of fundamental importance to the future of the federal intelligence system as well as of vital importance to satisfy the immediate needs of the government.
3. The DCI has instructed the Secretary to submit to the IAC for its consideration the attached study (Tab B) containing recommendations for IAC action in this matter. This study was prepared by the Office of Intelligence Coordination.

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[REDACTED]
Acting Secretary

IAC-D-73
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CONFIDENTIAL

CONFIDENTIAL
Security InformationTOP SECRET
IAC-D-73
9 September 1953

Dear General Cabell:

The 1954 budget of the Foreign Service has been substantially reduced. This reduction comes at a time when there are demands, requirements, many of particular concern to CIA, for an increase in intelligence collection activities. Moreover, this reduction will no doubt continue in effect in subsequent years, and will therefore have a long-term effect on the functions of the Foreign Service, including the collection of intelligence information from overt sources. Such collection has included: (a) collection of foreign publications; (b) collection of maps and cartographic data; (c) peripheral reporting; (d) collection of scientific information; (e) foreign press monitoring services.

The Department recognizes that these overt collection activities are responsibilities of the Foreign Service and are important to the national security. They are hence of concern to the Director of Central Intelligence in view of his duty to advise the National Security Council in such matters.

In an effort to satisfy these demands of intelligence and to continue to carry out the Department's responsibilities for the direction and management of the Foreign Service of the United States, the Department proposes in the attached document a framework within which, on the basis of national security needs, it would be possible for the Director to meet his responsibilities. Under this proposal, CIA could provide financial support for collection activities beyond a stated minimum which the Department can provide under its budget.

The Department believes that, if this framework is acceptable, it would probably be desirable to consult or at least inform IAC on this proposal and, if appropriate, advise the NSC. Furthermore, the Department believes that, when and as appropriate, there should be consultation with the Bureau of the Budget and with the proper committees of Congress.

Sincerely yours,
(Signed) W. PARK ARMSTRONG, JR.

W. Park Armstrong, Jr.

CONFIDENTIAL

CONFIDENTIAL
Security Information

IAC-D-73

A. GENERAL

1. Each supplementary position to be financed by CIA will be separately justified and negotiated through R with the appropriate geographic bureau.
2. The Department retains authority to select and appoint personnel to fill supplementary positions under normal procedures of the Foreign Service.
3. CIA may nominate qualified personnel to the Department to fill supplementary positions.
4. Creation and filling of supplementary positions financially supported by CIA will not alter existing mechanisms and procedures for directing and managing the collection activities concerned.

B. Map Procurement

During FY1954, State will support one Map Procurement position each in EUR, NEA and GER.

Publications Procurement

During FY1954, State will support one Publications Procurement position each in FE, NEA, EUR, and GER.

Peripheral Reporting

State will support the senior officer at least in each peripheral reporting unit.

Press Monitoring

Press monitoring service at Foreign Service posts may be supported by CIA to the extent deemed necessary by making additional funds available to the Posts for this activity.

Scientific Collection

Because of the necessity that Science Attaches maintain a completely open and undisguised posture in their overseas assignments, State believes that no such Attaché positions should be financially supported by CIA. State will investigate, in concert with CIA, other methods by which collection activities of the Foreign Service can be augmented to meet CIA needs for scientific information.

CONFIDENTIAL

TAB A to
IAC-D-73

CONFIDENTIAL
Security Information

IAC-D-73
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INTELLIGENCE ADVISORY COMMITTEE

PROPOSAL TO STRENGTHEN CERTAIN INTELLIGENCE INFORMATION COLLECTING ACTIVITIES

Problem:

1. To prepare for the IAC recommendations with respect to the problems which the recent budget cuts in the Foreign Service pose for the intelligence community. (See Tab A)

Discussion:

2. It is clear from the Act and from the NSCIDs that the IAC was intended to be a structure, that the DCI and the IAC, while paying due respect to the requirements to meet departmental responsibilities, were also to be concerned about so managing the separate parts as to benefit the whole and to attempt to strengthen the system and the facilities within it for national security purposes. It follows that it is a major responsibility of the DCI to advise the National Security Council, therefore, of a development which weakens substantially the facilities on which the system rests.

3. The Department of State letter is a proper action in advising the DCI of such a weakening of a facility under its administration.

4. In pursuance of the letter and spirit of the law and the NSCIDs, it becomes appropriate and necessary for the DCI to appraise in consultation with the IAC the damage to the work of the agencies individually and in their collaboration, and to recommend to the National Security Council, with the concurrence of the IAC, action which will permit the correction of this weakness.

5. While the DCI in the past has without benefit of specific direction from the NSC allocated funds to another agency (the State Department) for research production in support of NIS in order that a government-wide program may proceed even in the face of

TAB B to
IAC-D-73

CONFIDENTIAL
Security Information

TAB B to

IAC-D-73

9 September 1953

inadequate funds for the Department, there have been also instances of financial support to certain intelligence collection activities of the Foreign Service in order to strengthen where again departmental funds were lacking.

6. NSC direction is essential in respect of the present problems:

- a. because of the far reaching implications of the policy framework proposed by the Department in the subject letter both for the Foreign Service and possibly for collection activities of other agencies;
- b. because the supplying of funds in that regard might appear to or actually threaten the State Department's responsibility for administering the intelligence collection activities of the Foreign Service; and
- c. because of the probability that agreement with the policy proposal of the Department and its implementation in any substantial way might be construed as a violation of the intent of Congress in its reduction of funds for the Foreign Service.

7. Accordingly, it would be wisest to approach this problem in terms of the amendment of relevant NSCIDs. Specifically, NSCID 1, paragraph 11, might be revised to read:

"The intelligence organizations /within the limits of their capabilities/ shall provide, or procure, such intelligence as may be requested by the Director of Central Intelligence or by one of the other departments or agencies. The Department of State or the Department of Defense shall take appropriate measures to obtain the necessary funds from the Congress or from the Director of Central Intelligence to carry out this function (deletion in brackets, insertion underlined).

TAB B to

IAC-D-73

CONFIDENTIAL

CONFIDENTIAL
Security Information

TAB B to

IAC-D-73

9 September 1953

NSCID 2, paragraph 4, should be revised to read:

"The collecting and reporting facilities of each of the agencies shall be utilized so as to avoid unproductive duplication and uncoordinated overlap and to insure /within budgetary limitations/ that full flow of intelligence information which is the major need of all departments and agencies for the accomplishment of their respective missions. The Department of State and the Department of Defense shall take appropriate measures to obtain the necessary funds from the Congress or from the Director of Central Intelligence in order to carry out this function."

8. It should be noted that this provision is not entirely new but appears in a slightly modified form in NSCID 10 dealing with "The collection of foreign scientific and technological data" which was approved 1/18/49, whereas NSCIDs 1 and 2 were approved in the early part of 1948. The relevant part of NSCID 10 reads as follows:

"In order to provide for the collection of the data which is the responsibility of the Department of State, the Department of State shall take appropriate measures to obtain the necessary funds from the Congress or from the agencies served, other than the Department of Defense (underlining supplied), and will appoint as practicable specially qualified scientific and technical personnel to selected U.S. missions for this collection responsibility."

9. It should be noted that the Department of State's proposal represents a budget allocation for positions only for fiscal 54. It cannot, of course, insure that the same personnel will be available normally in the future. Thus the Department could increase out of its own budget such personnel or, in the face of new budgetary restrictions or other factors, reduce such personnel. None the less, it will be observed that the opening paragraph of the Department's letter hazards that "this reduction will no doubt

TAB B to
IAC-D-73

CONFIDENTIAL

CONFIDENTIAL
Security Information

TAB B to

IAC-D-73

9 September 1953

continue in effect in subsequent years, and will therefore have a long term effect on the functions of the Foreign Service, including the collection of intelligence information from overt sources." It could be argued that were the Department's policy framework agreed to, the Department might then in the future restrict its budget requests in the field of identifiable intelligence information collecting activities, depending on the DCI to provide the necessary financial assistance. Thus it might be desirable to explain to the NSC that it is the intention of the Department of State as a normal matter to budget for at least the present minimum established in the annex to the policy proposal (Tab A) and that CIA may in the future be required to support the differential between that minimum and the needs of the community. Because of the historical fact of limited budgets for military intelligence activities in time of peace, this same point may have applicability for these services in the future.

Recommendation:

10. That the IAC concur in the submission to the NSC of the amendments to NSCIDs 1 and 2 as outlined in paragraph 7 above.

TAB B to

IAC-D-73

CONFIDENTIAL

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